



State of Utah
School & Institutional
Trust Lands Administration

ML04710103
cc: Leslie

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

Kevin S. Carter
Director

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March 20, 2012

James Patten
Red Leaf Resources, Inc.
200 W. Civic Center Dr., Suite 190
Sandy, UT 84070

RE: ML 43374 & ML 50150- Oil Shale; Approval of Southwest #1 Plan of Operations

Dear Mr. Patten:

Thank you for diligently pursuing the permitting process for proposed mining operations upon trust lands under the above numbered Oil Shale leases. The Trust Lands Administration notes that on March 19, 2012 Red Leaf Resources, Inc. was granted conditional approval by the Division of Oil, Gas & Mining for the proposed Southwest #1 mine, DOGM Permit #M/047/0103 which encompasses the lands within the leases. The Trust Lands Administration hereby accepts the conditional approval granted by DOGM as satisfying SITLA's notification and approval requirements under the terms and conditions of the mineral leases. Lessee must abide the groundwater discharge permit requirement cited in the conditional approval. Please contact me if you have any questions.

Sincerely,

John T. Blake
Deputy Assistant Director/Minerals

CC: Leslie Heppler